

REPORT

DATE: September 14, 2006

TO: Administration Committee and Regional Council

FROM: Wayne Moore, CFO



SUBJECT: North Los Angeles County (NLA Co.) Sub region – Approve payment of \$22,000.00 for consulting services

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

It is recommended that a \$22,000.00 consultant invoice from NLA Co. be paid out of the General Fund budget of FY06.

SUMMARY:

NLA Co. submitted an invoice from Raju & Associates (Raju) of \$22,000.00 and requested reimbursement. The Sub region did not have an authorized budget for consultant services, only staff costs. Upon investigation of the facts surrounding the consultant services engagement, our recommendation is that the consultant be paid for the services provided to SCAG out of the General Fund.

BACKGROUND:

Each year, an agreement is signed with NLA Co. to perform certain planning work for SCAG. The budget for FY06 was \$50,000.00 for staff costs. However, NLA Co. implemented the work program using consultant services. In prior years, NLA Co. used a contract employee to do modeling work. In FY06 this contract employee was no longer available. NLA Co. sought and received SCAG's permission to engage another contractor to provide the same services under a consulting contract. However, the budget was not amended to cover these costs. When the invoice was submitted in August, there was no time to reallocate the budget to support the consultant work. Consequently, the NLA Co. invoice for Raju of \$22,000.00 could not be charged to the Sub region planning work program.

Since SCAG did receive valuable services and NLA Co. did carry out the work program as they had done in prior years, it is our recommendation that the invoice should be paid to NLA Co. by SCAG.

FISCAL IMPACT:

Adequate funding is available in the FY06 General Fund to cover the cost of this action.